



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
CI

For the meeting of: January 9, 2018

Date: December 18, 2017
To: Board of Supervisors
From: Jeff M. Dolf, Agricultural Commissioner/Sealer of Weights & Measures
Subject: Approval of Standard Agreement No. 17-0170, Known as the CalCannabis Pilot Inspection Program

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve Standard Agreement No. 17-0170, known as the CalCannabis Pilot Inspection Program; and
2. Authorize the chair to sign the original agreement, one copy of the cover page, the contractor certification page and return all signed copies to the Agricultural Commissioner's office for further processing; and
3. Grant a waiver from the provisions of the nuclear free ordinance; and
4. Authorize the Auditor-Controller to execute the attached supplemental budget for fiscal year 2017-18.

SOURCE OF FUNDING:

California Department of Food and Agriculture (CDFA) CalCannabis Licensing Division (CalCannabis)

Prepared by [Signature]

CAO Approval [Signature]

REVIEW:	Auditor <u>[Signature]</u>	County Counsel _____	Human Resources _____	Other _____
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TYPE OF ITEM:

Consent

Departmental

Public Hearing

Other _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
 Upon motion of Supervisor Bass Seconded by Supervisor Fennell
 Ayes Bass, Fennell, Sundberg, Bohn, Wilson
 Nays _____
 Abstain _____
 Absent _____

PREVIOUS ACTION/REFERRAL:

Board Order No. _____
Meeting of: _____

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: 1/9/18
 By: [Signature]
 Kathy Hayes, Clerk of the Board

DISCUSSION:

The waiver from the provisions of the Nuclear-Free Ordinance is requested because the State of California will not modify its standard agreements to accommodate local ordinances. In an effort to responsibly, effectively, and efficiently administer the CDFA Cannabis Cultivation Licensing Program, CalCannabis is establishing a 2-year pilot program with select local county agricultural departments to test and evaluate the feasibility, time, cost, and programmatic impact of the use of County Agricultural Commissioner (CAC) resources to perform inspections of licensed cannabis cultivation premises. CalCannabis believes this pilot will maximize state and county inspection and regulatory resources to help ensure applicants and licensed cannabis cultivators are operating in compliance with applicable statutes and regulations. The pilot will also provide CalCannabis with important data and information needed to support ongoing decisions regarding field resource allocations and/or requests.

This agreement provides funding for Humboldt County as one of six counties (Humboldt, San Mateo, Alameda, Placer, Santa Barbara and Los Angeles) identified by the California Agricultural Commissioners and Sealers Association (CACASA) to consult with CalCannabis on the development of an inspection and investigative framework for administrative oversight of licensed cannabis cultivation sites. CalCannabis believes consultation services provided by the participating counties will help ensure that the framework meets the mutual objectives of CalCannabis and CACs to protect human health and the environment while promoting agriculture, business, and equity in the marketplace. Through CACASA's identified CalCannabis team, CDFA is able to communicate and collaborate with the Commissioners of all counties to ensure representation, uniformity and consistency in the implementation and enforcement of the CalCannabis program. In compliance with Food and Agriculture Code Section 2281, in areas of joint responsibility the CAC shall be responsible for the administration of the enforcement program and CalCannabis shall be responsible for overall statewide enforcement.

FINANCIAL IMPACT:

There is no net cost to Humboldt County for participation in the CalCannabis Pilot Inspection Program. All costs for personnel, mileage, equipment and supplies will be reimbursed by the contract. Standard Agreement No. 17-0170 provides a total of \$6,624 from Dec. 1, 2017 to Oct. 31, 2019 for Agriculture Commissioner activities related to consulting with CalCannabis on the development of its licensing and inspection program. All costs are billed to CDFA on a monthly basis and payment is made in arrears to Humboldt County. Revenue and expenditure line-item accounts are requested to be adjusted as detailed in the attached supplemental budget to reflect the total amount of state funding made available for Humboldt County's Agricultural Commissioner to assist with development of the CalCannabis inspection and investigation program.

This agreement is consistent with your Board's Strategic Priority Framework by engaging with our state agencies to influence issues of statewide concern by developing programs to enforce laws and regulations to protect residents and by doing so will promote a safe, healthy, economically vibrant community.

OTHER AGENCY INVOLVEMENT:

CDFA CalCannabis, Auditor-Controller

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion

ATTACHMENTS:

One complete copy of Standard Agreement 17-0170, one copy of the cover page and contractor certification.

AGREEMENT NUMBER 17-0170
REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME
CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE

CONTRACTOR'S NAME
COUNTY OF HUMBOLDT

2. The term of this Agreement is: December 1, 2017 through October 31, 2019

3. The maximum amount of this Agreement is: **\$ 6,624.00**
 SIX THOUSAND SIX HUNDRED TWENTY-FOUR DOLLARS AND NO CENTS

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	1 page(s)
Attachment 1	2 page(s)
Exhibit B – Budget Detail and Payment Provisions	1 page(s)
Attachment 1	1 page(s)
Exhibit C* – General Terms and Conditions – GTC 4/2017	
Check mark one item below as Exhibit D:	
<input checked="" type="checkbox"/> Exhibit - D Special Terms and Conditions (Attached hereto as part of this agreement)	1 page(s)
<input type="checkbox"/> Exhibit - D* Special Terms and Conditions	
Exhibit E – Additional Provisions	5 page(s)

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
 These documents can be viewed at www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		<i>California Department of General Services Use Only</i>
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.) COUNTY OF HUMBOLDT		
BY (Authorized Signature) 	DATE SIGNED (Do not type) 1/9/2018	
PRINTED NAME AND TITLE OF PERSON SIGNING Ryan Sundberg, Chair		
ADDRESS 5630 SOUTH BROADWAY STREET, EUREKA, CA 95503		
STATE OF CALIFORNIA		
AGENCY NAME CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE		
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING JENNIFER CROW, ACQUISITIONS MANAGER		
ADDRESS 1220 N STREET, ROOM 115, SACRAMENTO, CA 95814		

Exempt per: DGS Ltr 28.8

Supplemental Budget

Revenue:	1100261-518000 State Aid for Agriculture	\$6,624.00
Expenditure:	1100261-2225 Transportation –Out of County	\$6,624.00

**EXHIBIT A
(Standard Agreement)**

SCOPE OF WORK

1. The Contractor shall work with the California Department of Food and Agriculture, CalCannabis Program, to develop and test an inspection and investigative program to ensure applicants and licensed cannabis cultivators are in compliance with applicable statutes and regulations.
2. The services shall be performed in the County of Humboldt.
3. The services shall be provided during normal business hours of 8:00 a.m. – 5:00 p.m., Monday through Friday, excluding State holidays.
4. The project representatives during the term of this agreement will be:

State Agency:	Contractor:
Name: Margaret Cornell	Name: Jeff Dolf
Section/Unit: CalCannabis	Section/Unit: Agricultural Commissioner's Office
Address: 1220 N Street Sacramento, CA 95814	Address: 5630 S. Broadway St. Eureka, CA 95503
Phone: (916) 263-0801	Phone: (707) 441-5260
Email: margaret.cornell@cdfa.ca.gov	Email: jdolf@co.humboldt.ca.us

5. See Attachment 1 in Scope of Work for a detailed description of work to be performed and the duties of all parties.

Pilot Inspection Program Development of an Inspection and Investigative framework.

Scope of Work

Purpose/Authority:

In an effort to responsibly, effectively, and efficiently administer the California Department of Food & Agriculture (CDFA)/Cannabis Cultivation Licensing Program, the CDFA/CalCannabis Cultivation Licensing Division (CalCannabis) will establish a two (2) year pilot program with select local county agricultural departments to test and evaluate the feasibility, time, cost, and programmatic impact of the use of County Agricultural Commissioner (CAC) resources to perform inspections of licensed cannabis cultivation premises. CalCannabis believes this pilot will maximize state and county inspection and regulatory resources to help ensure applicants and licensed cannabis cultivators are operating in compliance with applicable statutes and regulations. The pilot will also provide CalCannabis with important data and information needed to support ongoing decisions regarding field resource allocations and/or requests.

This agreement provides for select California Agricultural Commissioners and Sealers Association (CACASA) identified counties to consult with CDFA/CalCannabis on the development of inspection and investigative framework (framework) for administrative oversight of licensed cannabis cultivation sites. CalCannabis believes consultation services provided by the CACASA CAC will help ensure that the framework meets the mutual objectives of CDFA/CalCannabis and CACASA to protect human health and the environment while promoting agriculture, business, and equity in the marketplace. Also, to ensure that the framework is executed using defined communication protocols, consistent management practices and conduct, uniform enforcement procedures, and evaluation techniques to measure the degree to which mutual program objectives are being realized.

In compliance with Food and Agriculture Code (FAC) Section 2281, in areas of joint responsibility the CAC shall be responsible for the administration of the enforcement program and California Department of Food and Agriculture (CDFA) shall be responsible for overall statewide enforcement. FAC Section 2003 recognizes the CACASA as the only official representative body of the CACs. Through CACASA's identified CalCannabis team, CDFA is able to communicate and collaborate with the Commissioners of all counties to ensure representation, uniformity and consistency in the implementation and enforcement of the CalCannabis program. This request conforms to the Agreement for Attaining Mutual Objectives, between CDFA and CACASA dated July 31, 2012, which requires CDFA to invite CACASA representatives to participate in developing a new program and policies that impact the CAC to assure the inclusion of local issues.

Scope of Work

The services outlined below shall be performed at applicable CDFA/CalCannabis and or CAC office locations.

Consultation Services:

The County of Humboldt agrees to provide a person in the office of the Agricultural Commissioner (or designee) for expert technical assistance, representation, advisement, and consultation as needed, at the request of the CDFA/CalCannabis.

As requested by CDFA/CalCannabis, the Humboldt County Agricultural Commissioner and/or designee will provide a subject matter expertise on:

- Development of CalCannabis Inspection and Investigation Framework for the Cannabis Cultivation Licensing Program
- Participate in meetings in person or via webinar as scheduled by CalCannabis
- Identification of areas of responsibility; define individual roles

- Assistance to define and develop uniform enforcement procedures where applicable
- Ensure cannabis cultivation is aligned in accordance with established policy
- Identification and development of inspection and investigation protocols, policies and procedures
- Establishment of written protocols for communication and information sharing
- Development of reporting schedules and templates for documenting and reporting inspection services
- Other consultation services as needed with respect to the administration of the Cannabis Cultivation Licensing Program

Contractor will make themselves available for a minimum of six (6) hours per month, if requested by CalCannabis, in performing the services for CalCannabis as stated herein.

**EXHIBIT B
(County Agreement)**

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor, Grant, Sub-Grant or Agreement recipient for actual expenditures incurred in accordance with this Agreement and stated herein, which is attached hereto and made a part of this Agreement or Grant.

Original invoices shall include the agreement/contract number, dates of service, type of work performed, and when applicable, a breakdown of the costs of parts and materials, labor charges, and any other relevant information required to ensure proper invoices are submitted for payment. Invoices shall be itemized to follow the allowed expenses outlined in the agreement/contract budget and Scope of Work documents.

- B. Unless mutually agreed, monthly invoices must be submitted within 30 days from the end of each month in which services were rendered. Invoices must include the Agreement number and submitted in triplicate to the Program Contract Manager listed in this contract.
- C. Any travel and subsistence payments authorized under this agreement shall be paid as needed to execute the work. The maximum travel rates allowable are those established by the California Department of Human Resources. <http://www.calhr.ca.gov/employees/pages/travel-meals.aspx>.

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

3. Funding Sources for County Contracts (If no Federal Funds, this Section is not applicable)

An annual report of expenditures, where county payments are supported by Federal funds, will be issued by CDFA Administrative Services, Financial Services Branch. This report will be issued by September 30th for invoices submitted prior to July 31st for services rendered in the prior State Fiscal Year.

Federal and State Regulations - The County will comply with all Federal and State regulations and requirements. The County must ensure they have an adequate accounting system in place and appropriate internal controls to ensure expenditures are tracked and maintained.

All sub-recipients of Federal awards shall comply with the Code of Federal Regulations (CFR) Title 2, Part 225 - Cost Principles for State and Local Governments and Title 7, Part 3016 - Uniform Administrative Requirements for Grants and Cooperative Agreements to state and local governments.

Federal 2 CFR 225 (OMB Circular A-87) can be found at the following website:

<http://training.fws.gov/fedaid/toolkit/2cfr225.pdf>

Federal 7 CFR 3016 can be found at the following website:

http://www.access.gpo.gov/nara/cfr/waisidx_01/7cfr3016_01.html

The State's accounting standards and procedures for counties provided by the State Controller's Office are located at the following website: <http://www.sco.ca.gov/ard/manual/cntyman.pdf>

BUDGET

Contractor Personnel Services

County Agricultural Commissioner

Hourly Salary	\$54.00
Hourly Benefits @ 38.75%	\$21.00
Total Hourly Rate	\$75.00
Number of Hours	60
Total Personnel Services	\$4,500.00
Overhead Costs* @ 47.21%	\$2,124.00
TOTAL CONTRACT AMOUNT	\$6,624.00

*Overhead cost rates are based on the estimated administrative overhead plus travel.

**EXHIBIT D
(County Agreement)**

SPECIAL TERMS AND CONDITIONS

1. Excise Tax

The State of California is exempt from federal excise taxes and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another state.

2. Settlement of Disputes

In the event of a dispute, Contractor shall file a "Notice of Dispute" with the CDFA within ten (10) days of discovery of the problem. Such Notice of Dispute shall contain the Agreement number. Within ten (10) days of receipt of such Notice of Dispute, the Agency Secretary, or Designee, shall meet with the Contractor and the CDFA project manager for the purpose of resolving the dispute. The decision of the Agency Secretary or Designee shall be final. In the event of a dispute, the language contained within this Agreement shall prevail over any other language including that of the bid proposal.

3. Evaluation of Contractor- Consultant Contracts Only

Per the Department of General Services (DGS), all contracts for consultant services of \$5,000 or more must be evaluated. The Contract/Contraction Evaluation, Form Std. 4, must be prepared by the program within 60 days of the completion of the contract. These evaluations shall remain on file by the Department (in a separate location from the contract file) for a period of 36 months.

4. Agency Liability

The Contractor warrants by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the State shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

5. Potential Subcontractors

If Contractor subcontracts out a portion of the work required by this Agreement, nothing contained in this Agreement or otherwise, shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

6. Right To Terminate

The State reserves the right to terminate this agreement subject to 30 days written notice to the Contractor. Contractor may submit a written request to terminate this agreement only if the State should substantially fail to perform its responsibilities as provided herein. However, the agreement can be immediately terminated for cause.

**EXHIBIT E
(County Agreement)**

ADDITIONAL PROVISIONS

CONTRACT AND SUBCONTRACT COMPLIANCE REQUIREMENTS

The Contractor shall ensure its officers, agents and employees will fully cooperate with any/all investigations conducted by the Department of Food and Agriculture's Equal Employment Opportunity and Human Resources Offices and will require the same of any subcontractors or consultants used pursuant to this agreement.

UNFAIR PRACTICES ACT

Contractor hereby certifies that he/she will comply with the requirements of Section 17200 of the Business and Professions Code.

CONFLICT OF INTEREST

Contractor certifies that its employees and the officers of its governing body shall avoid any actual or potential conflicts of interest, and that no officer or employee who exercises any functions or responsibilities in connection with this Agreement shall have any personal financial interest or benefit which either directly or indirectly arises from this Agreement.

Contractor shall establish safeguards to prohibit its employees or its officers from using their positions for a purpose which could result in private gain or which gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business or other ties.

LICENSE AND PERMIT REQUIREMENTS

The Contractor shall be an individual or firm properly licensed to do business in California in accordance with the laws of the State of California, and shall obtain at his/her expense all license(s) and permit(s) required by law for accomplishing any work required in connection with this agreement.

If you are a Contractor located within the State of California, a business license from the city/county in which you are headquartered is necessary; however, if you are a corporation, a copy of your incorporation documents/letter from the Secretary of State's Office can be submitted. If you are a Contractor outside the State of California, you will need to submit to the CDFA a copy of your business license or incorporation papers for your respective state showing that your company is in good standing in that state.

In the event any license(s) and/or permit(s) expire at any time during the term of this contract, Contractor agrees to provide agency a copy of the renewed license(s) and/or permit(s) within 30 days following the expiration date. In the event the Contractor fails to keep in effect at all times all required license(s) and permit(s), the State may, in addition to any other remedies it may have, terminate this agreement upon occurrence of such event.

Licensed contractors must observe professional standards for quality work or the California Contractors State License Board will invoke disciplinary action.

Should the State of California determine that the work or materials provided vary materially from the specifications, or that defective work when completed was not performed in a workmanlike manner, then the Contractor warrants that he/she shall perform all necessary repairs, replacement and corrections needed to restore the property according to the agreement plans and specifications, all at no further or additional cost to the State of California.

INSURANCE REQUIREMENTS

Contractor shall comply with all requirements outlined in the (1) General Provisions section and (2) Contract Insurance Requirements outlined in this section. No payments will be made under this contract until contractor fully complies with all requirements.

**EXHIBIT E
(County Agreement)**

1. General Provisions Applying to All Policies

- a. Coverage Term – Coverage needs to be in force for the complete term of the contract. If insurance expires during the term of the contract, a new certificate must be received by the State at least ten (10) days prior to the expiration of this insurance. Any new insurance must comply with the original contract terms.
- b. Policy Cancellation or Termination & Notice of Non-Renewal – Insurance policies shall contain a provision stating coverage will not be cancelled without 30 days prior written notice to the State. New Certificates of insurance are subject to the approval of the Department of General Services and the Contractor agrees no work or services will be performed prior to obtaining such approval. In the event Contractor fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate this contract upon the occurrence of such event, subject to the provisions of this contract.
- c. Premiums, Assessments and Deductibles – Contractor is responsible for any premiums, policy assessments, deductibles or self-insured retentions contained within their insurance program.
- d. Primary clause – Any required insurance contained in this contract shall be primary and not excess or contributory to any other insurance carried by the State.
- e. Insurance Carrier Required Rating – All insurance carriers must carry an AM Best rating of at least an "A-" with a financial category rating of no lower than VI. If the contractor is self-insured for a portion or all of its insurance, documentation of self-insurance must be submitted and approved by the Department of General Services, Office of Risk and Insurance Management.
- f. Endorsements – Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
- g. Inadequate Insurance – Inadequate or lack of insurance does not negate the contractor's obligation under the contract.
- h. Use of Subcontractors – In the case of Contractor's utilization of subcontractors to complete the contracted scope of work, the contractor shall include all subcontractors as insured's under Contractor's insurance or supply evidence of subcontractor's insurance to the State equal to policies, coverages and limits required of the Contractor.

2. Contract Insurance Requirements

Prime Contractor Insurance Requirements

Contractor shall display on an Acord certificate of insurance evidence of the following coverages:

Commercial General Liability Insurance

Contractor shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with a \$2,000,000 annual policy aggregate. A "per project aggregate" endorsement is required. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's liability.

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(County Agreement)**

The policy must be endorsed to name **The State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed under this contract.**

Environmental/Pollution Liability Insurance

If hazardous materials is required work is required, then the contractor shall maintain Environmental/Pollution Liability coverage for limits not less than \$1,000,000 per claim covering the contractor's liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs incurred arising out of work or services to be performed under this contract.

The policy must be endorsed to name **The State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed under this contract.**

Coverage shall be provided for both work performed on site and during transportation of as well as proper disposal of hazardous materials. Proof of pollution during transportation shall be provided on an MCS-90 or equivalent.

Automobile Liability Insurance

Contractor shall maintain automobile liability insurance for limits not less than \$1,000,000 combined single limit. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles

Workers Compensation Insurance

The Contractor shall have and maintain, for the term of this agreement, workers' compensation insurance and shall furnish to the State a certificate of insurance evidencing workers' compensation insurance and employer's liability presently in effect with limits not less than \$1,000,000 by an insurance carrier licensed to underwrite workers' compensation insurance in California. Such certificate shall include the name of the carrier, policy inception and expiration dates. If the Contractor is self-insured for workers' compensation, a certificate must be presented evidencing Contractor is a qualified self-insurer in the State of California. By signing this agreement, the Contractor hereby warrants that it carries workers' compensation insurance on all of its employees who will be engaged in the performance of this agreement. If staff provided by the Contractor is defined as independent contractors, this clause does not apply.

Sub-Contractor Insurance Requirements

Contractor shall display on an Acond certificate of insurance evidence of the following coverages:

Commercial General Liability Insurance

Contractor shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with a \$2,000,000 annual policy aggregate. A "per project aggregate" endorsement is required. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's liability.

The policy must be endorsed to name **The State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed under this contract**

Environmental/Pollution Liability Insurance

If hazardous materials is required work is required, then the contractor shall maintain Environmental/Pollution Liability coverage for limits not less than \$1,000,000 per claim covering the contractor's liability for bodily injury, property damage and environmental damage resulting from

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(County Agreement)**

pollution and related cleanup costs incurred arising out of work or services to be performed under this contract.

The policy must be endorsed to name **The State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed under this contract.**

Coverage shall be provided for both work performed on site and during transportation of as well as proper disposal of hazardous materials. Proof of pollution during transportation shall be provided on an MCS-90 or equivalent.

Automobile Liability Insurance

Contractor shall maintain automobile liability insurance for limits not less than \$1,000,000 combined single limit. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles.

Workers Compensation Insurance

The Contractor shall have and maintain, for the term of this agreement, workers' compensation insurance and shall furnish to the State a certificate of insurance evidencing workers' compensation insurance and employer's liability presently in effect with limits not less than \$1,000,000 by an insurance carrier licensed to underwrite workers' compensation insurance in California. Such certificate shall include the name of the carrier, policy inception and expiration dates. If the Contractor is self-insured for workers' compensation, a certificate must be presented evidencing Contractor is a qualified self-insurer in the State of California. By signing this agreement, the Contractor hereby warrants that it carries workers' compensation insurance on all of its employees who will be engaged in the performance of this agreement. If staff provided by the Contractor is defined as independent contractors, this clause does not apply.

CHEMICAL APPLICATIONS

To safeguard both life and property, the Contractor will provide a list to the CDFA Project Manager of all chemicals to be issued on the site, prior to use, along with a copy of Material Safety Data Sheets (MSDS) for all chemicals used. Appropriate protective clothing and gear according to the label requirement and type of chemical used shall be provided by the Contractor and worn during application. All containers holding pesticides shall be properly labeled with the name and strength of the chemical and active ingredients. Pesticide and other toxic materials will NOT BE stored on CDFA property. Containers with any chemical residue shall NOT BE placed in CDFA receptacles. The Contractor shall appropriately dispose of containers. Contractor is responsible for adhering to all environmental laws regarding the proper disposal of water containing chemicals used in the process of providing services described in the contract.

QUALIFICATIONS

The prospective contractor must have the experience, qualifications and resources to perform the work required by this agreement.

MULTIPLE CONTRACTORS

The CDFA may undertake or award other contractors for additional work and the Contractor shall fully cooperate with other contractors and State employees.

SUBCONTRACTORS

Contractor shall obtain prior approval from CDFA before hiring subcontractors, consultants or both. The total amount of all subcontracts shall not exceed \$50,000 or 25% of the total amount of the contract, whichever is less, unless the Contractor can provide certified documents that award was made through a competitive bidding process requiring at least three bids from responsible bidders.

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All subcontractors identified shall be experts in their respective disciplines and capable of performing the tasks for which they were hired. Subcontractors shall have extensive experience in their area of expertise, with particular emphasis on prior experience on similar programs or projects that clearly illustrate their expertise in areas essential to the CDFA.

The Contractor must use the Small business and/or Disabled Veterans Business Enterprise (DVBE) subcontractor(s) identified in the Small Business/DVBE Participation Summary submitted with the bid unless the Contractor requests substitution in writing to the CDFA prior to the subcontractor performing any work and the CDFA approves such substitution.

POTENTIAL SUBCONTRACTORS

Nothing contained in this agreement or otherwise, shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to the subcontractor.

FORCED, CONVICT, AND INDENTURED LABOR

No foreign-made equipment, materials, or supplies furnished to the State pursuant to this contract may be produced in whole or in part by forced labor, convict labor, or indentured labor.


FORCE MAJEURE

Except for defaults of any subcontractors, neither party shall be responsible for any delay in or failure of performance from acts beyond the control of the offending party. Such acts shall include, but shall not be limited to, acts of God, fire, flood, earthquake, other natural disaster, nuclear accident, strike, lockout, riot, freight embargo, public regulated utility, or governmental statutes or regulations superimposed after the fact. If a delay or failure in performance by the Contractor arises out of a default of its subcontractor, and if such default of its subcontractor, causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for damages of such delay or failure, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule.

CCC 04/2017

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i>		<i>Federal ID Number</i>
<i>By (Authorized Signature)</i> 		
<i>Printed Name and Title of Person Signing</i> Ryan Sundberg, Chair		
<i>Date Executed</i> January 9, 2018	<i>Executed in the County of</i> Humboldt	

CONTRACTOR CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 11102) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the

certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that Contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lessor of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations,

or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. **DOMESTIC PARTNERS:** For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.

8. **GENDER IDENTITY:** For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. **CONFLICT OF INTEREST:** Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

- 1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

- 1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.